



0000081311

COMMISSIONERS  
MIKE GLEASON - Chairman  
WILLIAM A. MUNDELL  
JEFF HATCH-MILLER  
KRISTIN K. MAYES  
GARY PIERCE



## ARIZONA CORPORATION COMMISSION

22

DATE: JANUARY 29, 2008

DOCKET NO: W-02451A-06-0792

TO ALL PARTIES:

Enclosed please find the recommendation of Administrative Law Judge Yvette B. Kinsey. The recommendation has been filed in the form of an Opinion and Order on:

WATER UTILITY OF GREATER BUCKEYE, INC.  
(CC&N EXTENSION)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and ten (10) copies of the exceptions with the Commission's Docket Control at the address listed below by 4:00 p.m. on or before:

FEBRUARY 7, 2008

The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Working Session and Open Meeting to be held on:

FEBRUARY 12, 2008 and FEBRUARY 13, 2008

For more information, you may contact Docket Control at (602) 542-3477 or the Hearing Division at (602)542-4250. For information about the Open Meeting, contact the Executive Secretary's Office at (602) 542-3931.

  
BRIAN C. McNEIL  
EXECUTIVE DIRECTOR

Arizona Corporation Commission  
**DOCKETED**  
JAN 29 2008

DOCKETED BY	nr
-------------	----

RECEIVED  
2008 JAN 29 PM 2:08  
ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 **COMMISSIONERS**

3 MIKE GLEASON - Chairman  
4 WILLIAM A. MUNDELL  
5 JEFF HATCH-MILLER  
6 KRISTIN K. MAYES  
7 GARY PIERCE

8 IN THE MATTER OF THE APPLICATION OF  
9 WATER UTILITY OF GREATER BUCKEYE,  
INC., FOR AN EXTENSION OF ITS EXISTING  
CERTIFICATE OF CONVENIENCE AND  
NECESSITY.

DOCKET NO. W-02451A-06-0792

DECISION NO. \_\_\_\_\_

**OPINION AND ORDER**

10 DATE OF HEARING: October 25, 2007

11 PLACE OF HEARING: Phoenix, Arizona

12 ADMINISTRATIVE LAW JUDGE: Yvette B. Kinsey

13 APPEARANCES: Mr. Timothy J. Sabo and Mr. Michael W. Patten,  
14 ROSHKA, DEWULF & PATTEN, PLC, on behalf of  
Applicant; and

15 Mr. Kevin O. Torrey, Staff Attorney, Legal Division, on  
16 behalf of the Utilities Division of the Arizona  
Corporation Commission.

17 **BY THE COMMISSION:**

18 On December 18, 2006, Water Utility of Greater Buckeye, Inc., ("WUGB" or "Applicant")  
19 filed with the Arizona Corporation Commission ("Commission") an application for an extension of  
20 its Certificate of Convenience and Necessity ("Certificate" or "CC&N") to provide water utility  
21 service to a development known as Montana Vista, located in Maricopa County, Arizona.

22 On December 21, 2006, WUGB filed Supplemental Exhibits to its application.

23 On January 16, 2007, the Commission's Utilities Division ("Staff") filed an Insufficiency  
24 Letter in this docket.

25 On January 19, 2007, WUGB filed an updated legal description.

26 On March 19, 2007, WUGB filed its Response to Staff's Insufficiency Letter.

27 On April 5, 2007, Staff filed its second Insufficiency Letter.

28 On June 4, 2007, WUGB filed its Response to Staff's second Insufficiency Letter.

1 On July 3, 2007, Staff filed a Sufficiency Letter in this docket indicating WUGB's application  
2 had met the sufficiency requirements as outlined in the Arizona Administrative Code ("A.A.C.").

3 On September 5, 2007, by Procedural Order, a hearing in this matter was scheduled to  
4 convene on October 25, 2007.

5 Also on September 5, 2007, WUGB filed a Notice of Filing a copy of the Line Extension  
6 Agreement ("LXA") with Talas Homes.

7 On September 18, 2007, WUGB filed a Notice of Filing Affidavit of Publication and Mailing.

8 On September 24, 2007, Staff filed its Staff Report, recommending approval of the  
9 application with conditions.

10 On October 10, 2007, WUGB filed a Response to the Staff Report.

11 On October 25, 2007, a full public hearing was held before a duly authorized Administrative  
12 Law Judge of the Commission at its offices in Phoenix, Arizona. WUGB and Staff appeared through  
13 counsel and presented evidence and testimony. No members of the public appeared to give public  
14 comment. At the conclusion of the hearing, the parties were instructed to file late-filed exhibits  
15 related to the testimony given at the hearing and the time clock in this matter was extended.

16 On October 26, 2007, WUGB filed a Notice of Filing the water analysis reports from the  
17 Arizona Department of Environmental Quality ("ADEQ") for its Sweetwater II water system.

18 On October 29, 2007, Staff filed its late-filed exhibit which stated its amended  
19 recommendations.

20 After the filing of the late-filed exhibits the matter was taken under advisement, pending  
21 submission of a Recommended Opinion and Order to the Commission.

22 \* \* \* \* \*

23 Having considered the entire record herein and being fully advised in the premises, the  
24 Commission finds, concludes, and orders that:

25 **FINDINGS OF FACT**

26 1. WUGB is an Arizona public service corporation, in good standing with the  
27 Commission's Corporation Division. WUGB is authorized to provide water utility services in and  
28 around the Town of Buckeye, in Maricopa County.

2. WUGB received Commission authority to provide water service in Commission Decision Nos. 46160 (June 16, 1975), 54121 (July 19, 1984), 41072 (December 28, 1970), 57607 (November 6, 1991), 57742 (February 22, 1992), 57808 (April 22, 1992), 59494 (January 31, 1996), and 62756 (July 25, 2000).

3. WUGB is owned by West Maricopa Combine, Inc., ("WMC").<sup>1</sup>

4. Global Water Resources, LLC, is the ultimate parent company to WMC and WUGB.

5. According to Staff's Report, WUGB provides water utility service to approximately 617 customers.

6. On December 18, 2006, WUGB filed an application with the Commission for an extension of its CC&N to provide water service to a subdivision known as Montana Vista, which will consist of 52 lots, and will add 70.5 acres to WUGB's 4,273 acres of existing Certificated area.

7. According to Staff's Report, WUGB's Certificated area consists of separate parcels in and around the Town of Buckeye, in Maricopa County.

8. The extension area is adjacent to a portion of WUGB's Certificated area, known as Sun Valley, and the extension area is more fully described in Exhibit A, attached hereto and incorporated herein by reference.

9. WUGB has received a request for service from Talas Homes to provide water service to the extension area.

#### **Water System**

10. WUGB operates four separate water systems. They are: 1) Sun Valley/Sweetwater I (PWS #07-195); 2) Sweetwater II (PWS #07-129); 3) Bulfer/Primrose (PWS #07-114) and 4) Sonoran Ridge (PWS #07-732).

#### **Sun Valley/Sweetwater I**

11. The Sun Valley/Sweetwater I water system has one well producing 300 gallons per minute ("GPM"), a 120,000 gallon storage tank, and a distribution system serving approximately 378 customers.

<sup>1</sup> WMC also owns Valencia Water Company, Inc., Willow Water Company, Water Utility of Greater Tonopah, Inc., and Water Utility of Northern Scottsdale, Inc.

1           12.     WUGB proposes to extend the Sun Valley/Sweetwater I water system to serve the  
2 requested extension area as the water system's distribution lines are contiguous to the western border  
3 of the Montana Vista development.

4           13.     WUGB predicts adding 256 total connections to its existing CC&N area, including 52  
5 connections at the end of five years in the Sun Valley/Sweetwater I system, which will result in a  
6 projected total customer base of approximately 686 at the end of five years.

7           14.     Staff concluded that the Sun Valley/Sweetwater I water system has adequate well  
8 production capacity, but inadequate storage capacity to serve its existing customer base.

9           15.     WUGB proposes to add an additional well in the Sun Valley/Sweetwater I system,  
10 which will add a production capacity of 300 GPM by the end of 2007.

11           16.     Staff concluded that if the production improvements are installed, the total anticipated  
12 production capacity of 600 GPM and storage capacity of 120,000 gallons should adequately serve  
13 approximately 800 customers, governed by storage capacity.

14           17.     WUGB's witness, Mr. Graham Symmonds<sup>2</sup> testified that no off-site facilities will be  
15 needed to serve the extension area, and the proposed plant facilities will only include on-site water  
16 lines within the Montana Vista development. (Tr. Pg. 13, line 16-19)

17           18.     WUGB submitted projected costs of \$128,915 for the on-site water distribution  
18 system.

19           19.     WUGB proposes to fund the required plant facilities within the requested extension  
20 area with advances in aid of construction ("AIAC") through the use of Line Extension Agreements  
21 LXAs. WUGB introduced into evidence a copy of the LXA relating to the extension area during the  
22 hearing.

23           20.     Staff concluded that the proposed plant facilities and the related costs are reasonable to  
24 serve the requested extension area. However, Staff made no "used and useful" determinations for the  
25 proposed plant items and indicated that no particular treatment should be inferred for rate making or  
26 rate base purposes.

27 \_\_\_\_\_  
28 <sup>2</sup> Mr. Symmonds is Senior Vice President of Regulatory Affairs and Compliance and Chief Technical Officer for Global Water Resources, LLC.

**Sweetwater II**

21. The Sweetwater II water system has one well producing 40 GPM, four storage tanks with a total storage capacity of 44,000, and a distribution system serving approximately 93 customers.

22. Staff concluded that the water system has inadequate production and storage capacity to serve the existing customer base.

23. WUGB has addressed the production deficiency through an emergency connection with the City of Goodyear water system. WUGB proposes that upon completion of the permanent interconnect infrastructure, the City of Goodyear will provide an additional production capacity of 15 GPM to WUGB's existing 40 GPM.

24. In order to resolve the storage deficiency, Staff recommends an additional minimum storage capacity of 16,000 gallons.

25. Staff reasoned that if the production and storage improvements are made, the production capacity of 55 GPM and storage capacity of 60,000 gallons should adequately serve approximately 100 service connections, governed by storage capacity.

**Bulfer/Primrose**

26. The Bulfer/Primrose water system has one well producing 40 GPM, a 140,000 gallon storage tank, and a distribution system serving approximately 88 customers.

27. Staff concluded that the water system has adequate well production and storage capacity to serve the existing customer base and a reasonable level of growth.

**Sonoran Ridge**

28. The Sonoran Ridge water system has one well producing 150 GPM, a 200,000 gallon storage tank, and a distribution system serving approximately 58 customers.

29. Staff concluded that the water system has adequate well production and storage capacity to serve the existing customer base and a reasonable level of growth.

**Staff's Original Recommendations**

30. Staff initially recommended approval of WUGB's application for an extension of its CC&N, subject to compliance with the following conditions:

- 1) That WUGB charge its authorized rates and charges in the extension area.
- 2) That WUGB file with Docket Control, as a compliance item in this docket, a copy of the Franchise Agreement from Maricopa County for the extension area, within 365 days of the decision in this matter.
- 3) That WUGB file with Docket Control, as a compliance item in this docket, a copy of the developer's Certificate of Assured Water Supply ("CAWS"), within two years of the effective date of the final decision in this application.
- 4) That WUGB file with Docket Control, as a compliance item in this docket, a copy of the Maricopa County of Environmental Services Department ("MCESD") Approval to Construct ("ATC") for facilities needed, to serve the requested areas within two years of the effective date of an order in this proceeding.
- 5) That WUGB file with Docket Control, as a compliance item in this docket, copies of the Approval of Construction ("AOC") issued by MCESD for the addition of a well or wells with a minimum capacity of 300 GPM for the Sun Valley /Sweetwater I water system, within six months of the effective date of the decision in this case.
- 6) That WUGB file with Docket Control, as a compliance item in this docket, copies of the AOC issued by MCESD for the addition of a storage tank with a minimum capacity of 16,000 gallons to the Sweetwater II water system, within six months of the effective date of a decision in this case.
- 7) That WUGB file with Docket Control, as a compliance item in this docket, copies of the AOC issued by MCESD for the interconnect/blending infrastructure with the City of Goodyear, for the Sweetwater II water system, within six months of the effective date of the decision in this case.
- 8) That WUGB file with Docket Control, as a compliance item in this docket, copies of the AOC issued by the MCESD for the arsenic treatment systems for Sonoran Ridge water system, within six months of the effective date of the decision in this case.
- 9) That WUGB file with Docket Control, as a compliance item in this docket, a copy of the MCESD Compliance Status Report showing that the Sweetwater II water system is in full compliance and delivering water that meets water quality standards required by the A.A.C., within six months of the effective date of the decision in this case.
- 10) That WUGB file with Docket Control, as a compliance item in this docket, a quarterly status report on the Town of Buckeye condemnation proceeding. The status report should be filed within 30 days after the end of each calendar quarter and shall continue until further Order of the Commission.

1        31.     Staff further recommended that the Commission's decision granting WUGB's CC&N  
2 extension be considered null and void after due process, if WUGB fails to meet timeframes outlined  
3 in Conditions Nos. 2,3,4,5,6,7,8 and 9.

4     **Franchise Agreement**

5        32.     In WUGB's response to the Staff Report, WUGB requested that the time for filing its  
6 Franchise Agreement be extended to two years instead of one year. At hearing, Mr. Symmonds  
7 testified that WUGB needs the additional time because there is no licensing timeframe for a franchise  
8 to be granted and because WUGB has no control over the licensing process, WUGB believed it  
9 needed more time to comply. (Tr. Pg. 18, lines 2-12)

10       33.     At hearing, Staff concurred with WUGB's request and modified its recommendation  
11 requiring WUGB to file its Franchise Agreement within two years of a decision in this matter.

12       34.     In Docket No. (W-01212A-06-0666) ("Transfer Docket"), a joint application was filed  
13 by WUGB and Valencia Water Company ("VWC") to transfer the assets and CC&N of WUGB to  
14 VWC.<sup>3</sup> Mr. Symmonds testified at the October 10, 2007 hearing in the Transfer Docket, that a small  
15 portion of WUGB's service area had been annexed into the Town of Buckeye. (Tr. Pg. 14, lines 18-  
16 25) In the Staff Report filed in the Transfer Docket, Staff recommended that VWC file copies of the  
17 Franchise Agreement from both Maricopa County and the Town of Buckeye. Staff testified that  
18 because WUGB operated in and outside of Town of Buckeye and in Maricopa County, approval was  
19 needed from both entities. (Tr. Pg. 52 lines,1-21) Staff further testified that the approval could be a  
20 Franchise, Permit or Consent from both Maricopa County and the Town of Buckeye. (Tr. Pg. 52,  
21 lines 3-7) We believe Staff's recommendation in the instant matter should be modified to require  
22 WUGB to file a Franchise Agreement, Consent or Permit from the appropriate jurisdictional entity  
23 (i.e., either the Town of Buckeye or Maricopa County depending on which entity possesses authority  
24 to issue a Franchise, Permit or Consent) for the extension area within two years of a decision in this  
25 matter.

26     ...

27 \_\_\_\_\_  
28 <sup>3</sup> VWC and WUGB share common ownership, share the same office address, main phone number, and on-site manager,  
and certified operator. A hearing was held in this matter on October 10, 2007.



**Certificate of Assured Water Supply and Approval to Construct**

35. Prior to the hearing, WUGB provided copies of its CAWS, and ATC for facilities needed to serve the extension area, and as outlined in Staff Condition Nos. 3 and 4. During the hearing, Staff modified its recommendations eliminating Conditions Nos. 3 and 4.

**Approval of Construction – Additional Well**

36. In regard to Staff's Condition No. 5, WUGB requested that it be allowed to file copies of the AOC issued by MCESD for the addition of a well or wells with a minimum capacity of 300 GPM for the Sun Valley/Sweetwater I water system, within one year instead of six months, of the effective date of the decision in this case.

37. In its Response to Staff's data requests, dated July 30, 2007, WUGB stated that it believed that work on the additional well with a minimum capacity of 300 GPM for the Sun Valley/Sweetwater I system would be completed by October 2007.

38. At hearing, WUGB's witness testified that, per the LXA, the developer of the extension area property is responsible for the construction of the additional well. He further testified that because the developer was "a little bit financially distressed", WUGB had undertaken to bring the work in-house and that a contractor had been hired to do the well installation. (Tr. Pg. 25, lines 1-25 and pg. 26, lines 1-5) The witness further testified that now that the work had been brought in-house, he estimated that the additional well would be completed by end of 2007. Mr. Symmonds testified similarly during the hearing in the Transfer Docket that the new well already exists, and that WUGB had already received the ATC to bring the well into the production system. (Tr. Pg. 22, lines 2-9)

39. Based on the WUGB's testimony regarding the timeline to complete the additional well and the receipt of the ATC, Staff's recommendation that WUGB file its AOC within six months of a decision in this matter is reasonable.

**Approval of Construction – Additional Storage**

40. In its Response to the Staff Report, WUGB requested that Staff modify its recommendation to allow WUGB 12 months instead of six months to file its AOC relating to the installation of the 16,000 storage tank. At hearing, Staff modified its recommendation,

1 recommending 12 months instead of six months for WUGB to comply with Condition No. 6.

2 **Interconnection with the City of Goodyear**

3 41. WUGB also requested that it be given 12 months instead of six months to file the  
4 MCESD AOC for the permanent interconnection between WUGB and the City of Goodyear. During  
5 the hearing in the Transfer Docket, Mr. Symmonds testified that WUGB has an interim approval or  
6 an approval to commence that was issued by MCESD. (Tr. Pg. 23 lines 4-10) He further testified that  
7 WUGB was in the process of starting up the system to obtain the AOC, but that the company needed  
8 a number of weeks of lab data to submit to MCESD and once that was submitted, probably in four to  
9 six weeks, the company expected to get the AOC. (Tr. Pg 23, lines 11-15)

10 42. At hearing in the instant matter, Staff modified its recommendation extending the  
11 time to 12 months from six months for WUGB to comply with Condition No. 7, which is to file the  
12 AOC issued by MCESD for the interconnect/blending infrastructure for the Sweetwater II water  
13 system.

14 **Town of Buckeye Condemnation**

15 43. The Staff Report indicated that the Town of Buckeye had initiated a condemnation  
16 proceeding to condemn WUGB's water system and assets.

17 44. On October 26, 2007, WUGB and VWC filed a Notice of Filing in the Transfer  
18 Docket, which showed that the condemnation action filed by the Town of Buckeye had been  
19 dismissed without prejudice by Maricopa County Superior Court.<sup>4</sup> The Superior Court Order granted  
20 WUGB's Motion for Summary Judgment and awarded WUGB attorney's fees and costs.

21 45. Due to the Superior Court's dismissal without prejudice of the Town of Buckeye's  
22 condemnation action against WUGB, Staff's recommendation No. 10 should be modified to state that  
23 if the Town of Buckeye initiates another condemnation action against the WUGB or VWC, WUGB  
24 or VWC shall file notice of such action with Docket Control, in this docket and any other related  
25 dockets, within 30 days of such action.

26 ...

27

28 <sup>4</sup> Maricopa County Superior Court CV2006-010954.

**Arsenic Issues**

46. The Arizona Department of Environmental Quality ("ADEQ") has determined that three of the WUGB's water systems : Sun Valley/Sweetwater I, Bulfer/Primrose, and Sonoran Ridge are in compliance and currently delivering water that meets water quality standards required by the A.A.C.

47. On January 23, 2006, the U.S. Environmental Protection Agency ("EPA") reduced the arsenic maximum containment level ("MCL") from 50 parts per billion ("ppb") to 10 ppb. According to Staff's Report, the arsenic levels for the WUGB's water systems are as follows:

- a. Sweetwater II water system exceeds the MCL for arsenic and nitrates.
- b. Sonoran Ridge water system exceeds the MCL of 10 ppb for arsenic.
- c. Sun Valley/ Sweetwater I and Bulfer/ Primrose are both within acceptable EPA MCLs for arsenic.

48. WUGB has addressed the arsenic and nitrate MCLs in its Sweetwater II system by blending water with City of Goodyear. On October 26, 2007, WUGB filed a Notice of Filing, which included a water analysis report from the Arizona Department of Environmental Quality ("ADEQ") demonstrating that arsenic levels for the Sweetwater II system were at 4.1 ppb and nitrate levels at 8.9 ppb. Thus, the Sweetwater II system now appears to be in compliance with ADEQ requirements.

49. WUGB is planning on installing an arsenic treatment system at the well site for its Sonoran Ridge water system.

**Miscellaneous Compliance Issues**

50. According to Staff's Report, MCESD has determined that the Sweetwater II water system is in substantial compliance. WUGB's witness testified that he believed the substantial compliance was based on MCESD's requirement that WUGB obtain an AOC for the interconnection with the City of Goodyear even though WUGB has received an interim approval to commence the emergency interconnection. (Tr. Pg. 38, lines 1-9)

51. The WUGB is located within the Phoenix Active Management Area ("AMA"), as designated by the Arizona Department of Water Resources ("ADWR").

52. ADWR has determined that WUGB is in compliance with the Phoenix AMA reporting

1 and conservation requirements.

2 53. WUGB has no outstanding ACC compliance issues.

3 54. WUGB has an approved curtailment tariff that became effective on January 26, 2005.

4 55. Staff's recommendations as amended herein are reasonable and should be adopted.

5 56. Because an allowance for property tax expense is included in WUGB's rates and will  
6 be collected from its customers, the Commission seeks assurances from WUGB that any taxes  
7 collected from ratepayers have been remitted to the appropriate taxing authority. It has come to the  
8 Commission's attention that a number of water companies have been unwilling or unable to fulfill  
9 their obligation to pay the taxes that were collected from ratepayers, some for as many as twenty  
10 years. It is reasonable, therefore, that as a preventive measure WUGB shall annually file, as part of  
11 its annual report, an affidavit with the Utilities Division attesting that the Company is current in  
12 paying its property taxes in Arizona.

13 57. In recent months, the Commission has become increasingly concerned about the  
14 prolonged drought in Central Arizona. Therefore, we believe WUGB should be required to conserve  
15 groundwater and that WUGB should be prohibited from selling groundwater for the purpose of  
16 irrigating any future golf courses within the certificated expansion areas or any ornamental lakes or  
17 water features located in the common areas of the proposed new developments within the certificated  
18 expansion areas.

19 **CONCLUSIONS OF LAW**

20 1. Water Utility of Greater Buckeye is a public service corporation within the meaning of  
21 Article XV of the Arizona Constitution and A.R.S. § 40-281.

22 2. The Commission has jurisdiction over Water Utility of Greater Buckeye and the  
23 subject matter of the application.

24 3. Notice of the application was provided in accordance with the law.

25 4. There is a public need and necessity for water utility service in the proposed extension  
26 area, as set forth herein.

27 5. Water Utility of Greater Buckeye is a fit and proper entity to receive an extension of  
28 its water Certificate for the extension area.

6. Staff's recommendations as modified and set forth herein, are reasonable and should be adopted.

**ORDER**

IT IS THEREFORE ORDERED that the application of Water Utility of Greater Buckeye, Inc., for an extension of its Certificate of Convenience and Necessity to provide water service to the extension area described in Exhibit A, attached hereto and incorporated herein by reference, is hereby approved subject to the conditions outlined in the following Ordering Paragraphs.

IT IS FURTHER ORDERED that Water Utility of Greater Buckeye, Inc., shall file with Docket Control, as a compliance item in this docket, copies of the Franchise Agreement, Permit or Consent from the appropriate jurisdictional entity (i.e., either the Town of Buckeye or Maricopa County depending on which entity possesses authority to issue a Franchise, Permit or Consent) for the extension area, within two years of the effective date of this Decision.

IT IS FURTHER ORDERED that Water Utility of Greater Buckeye, Inc., shall file with Docket Control, as a compliance item in this docket, copies of the Approval of Construction issued by Maricopa County Environmental Services Department for the addition of a well or wells with a minimum production capacity of 300 gallons per minute for the Sun Valley/Sweetwater I water system, within six months of the effective date of this Decision.

IT IS FURTHER ORDERED that Water Utility of Greater Buckeye, Inc., shall file with Docket Control, as a compliance item in this docket, copies of the Approval of Construction issued by Maricopa County Environmental Services Department for the addition of a storage tank with a minimum capacity of 16,000 gallons to the Sweetwater II water system, within 12 months of the effective date of this Decision.

IT IS FURTHER ORDERED that Water Utility of Greater Buckeye, Inc., shall file with Docket Control, as a compliance item in this docket, copies of the Approval of Construction issued by Maricopa County Environmental Services Department for the interconnect/blending infrastructure with the City of Goodyear for the Sweetwater II water system, within 12 months of the effective date of this Decision.

IT IS FURTHER ORDERED that Water Utility of Greater Buckeye, Inc., shall file with

1 Docket Control, as a compliance item in this docket, copies of the Approval of Construction issued  
2 by the Maricopa County Environmental Services Department for the arsenic treatment systems for  
3 the Sonoran Ridge water system, within six months of the effective date of this Decision.

4 IT IS FURTHER ORDERED that Water Utility of Greater Buckeye, Inc., shall file with  
5 Docket Control, as a compliance item in this docket, a copy of the Maricopa County Environmental  
6 Services Department Compliance Status Report showing that the Sweetwater II water system is in  
7 full compliance and delivering water that meets water quality standards required by the A.A.C.,  
8 within six months of the effective date of this Decision.

9 IT IS FUTHER ORDERED that Water Utility of Greater Buckeye, Inc., shall file with Docket  
10 Control, in this docket, and any related dockets a Notice of any condemnation actions filed by the  
11 Town of Buckeye within 30 days of such action.

12 IT IS FURTHER ORDERED that if Water Utility of Greater Buckeye, Inc., fails to comply  
13 with the above conditions within the required time-frames the Certificate of Convenience and  
14 Necessity conditionally granted herein shall become null and void, after due process.

15 IT IS FURTHER ORDERED that Water Utility of Greater Buckeye, Inc., shall charge its  
16 existing rates and charges on file with the Commission for the extension area granted herein, until  
17 further Order of the Commission.

18 IT IS FURTHER ORDERED that in light of the on-going drought conditions in central  
19 Arizona and the need to conserve groundwater, Water Utility of Greater Buckeye, Inc., is prohibited  
20 from selling groundwater for the purpose of irrigating any future golf courses within the certificated  
21 expansion areas or any ornamental lakes or water features located in the common areas of the  
22 proposed new developments within the Certificated expansion areas.

23 ...

24 ...

25 ...

26 ...

27 ...

28 ...

1 IT IS FURTHER ORDERED that Water Utility of Greater Buckeye, Inc., shall annually file  
2 as part of its annual report, an affidavit with the Utilities Division attesting that it is current on paying  
3 its property taxes in Arizona.

4 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

5 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.  
6  
7

8 CHAIRMAN \_\_\_\_\_ COMMISSIONER \_\_\_\_\_

9  
10 COMMISSIONER \_\_\_\_\_ COMMISSIONER \_\_\_\_\_ COMMISSIONER \_\_\_\_\_

11  
12 IN WITNESS WHEREOF, I, DEAN S. MILLER, Interim  
13 Executive Director of the Arizona Corporation Commission,  
14 have hereunto set my hand and caused the official seal of the  
Commission to be affixed at the Capitol, in the City of Phoenix,  
this \_\_\_\_ day of \_\_\_\_\_, 2008.

15  
16 DEAN S. MILLER  
INTERIM EXECUTIVE DIRECTOR

17  
18 DISSENT \_\_\_\_\_

19  
20 DISSENT \_\_\_\_\_

21  
22  
23  
24  
25  
26  
27  
28

1 SERVICE LIST FOR: WATER UTILITY OF GREATER BUCKEYE

2 DOCKET NO.: W-02451A-06-0792

3

4 Michael W. Patten  
5 Timothy Sabo  
6 ROSHKA, DEWULF & PATTEN PLC  
7 One Arizona Center  
8 400 E. Van Buren, Suite 800  
9 Phoenix, AZ 85004

7 Christopher Kempley, Chief Counsel  
8 Legal Division  
9 ARIZONA CORPORATION COMMISSION  
10 1200 West Washington Street  
11 Phoenix, AZ 85007

10 Ernest G. Johnson, Director  
11 Utilities Division  
12 ARIZONA CORPORATION COMMISSION  
13 1200 West Washington  
14 Phoenix, AZ 85007

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28



EXHIBIT A

PROPERTY DESCRIPTION

BEING A PART OF THE NORTHWEST QUARTER OF SECTION 1,  
TOWNSHIP 1 NORTH, RANGE 5 WEST OF THE GILA AND SALT  
RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA  
MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTH QUARTER CORNER OF SAID SECTION 1;  
THENCE S 00°19'17" E, COINCIDENT WITH THE EAST LINE OF  
THE NORTHWEST QUARTER OF SAID SECTION 1, A DISTANCE OF  
1967.72 FEET;  
THENCE N 89°42'11" W, A DISTANCE OF 1320.38 FEET;  
THENCE N 00°20'10" W, A DISTANCE OF 984.38 FEET;  
THENCE N 89°47'43" W, A DISTANCE OF 487.69 FEET;  
THENCE N 00°21'03" W, A DISTANCE OF 975.17 FEET TO A  
POINT ON THE NORTH LINE OF SAID SECTION 1;  
THENCE S 89°59'13" E, ALONG SAID NORTH LINE, A  
DISTANCE OF 1808.75 FEET TO THE TRUE POINT OF  
BEGINNING.

DECISION NO. \_\_\_\_\_